

Cost Accounting
B. Com (H) Sem IV (Sec A and B)
(Class Test 1)

Time: 1 Hr

Max Marks: 24

Note: Attempt any two questions

12 April, 2023

Q 1 (a) Mr. Anil furnishes the following data relating to the manufacture of a product during the month of August 2008.

Raw Materials purchased	Rs. 15,000	Administrative overheads	Rs. 20% on work cost
Opening stock of raw materials	Rs. 4,000	Selling overheads	Rs. 0.5 per unit sold
Closing stock of raw materials	Rs. 5,000	Units produced	17,100
Direct labour cost	Rs. 9,000	Opening stock of finished products	2,000 units @ 1.50 per unit
Machine hours worked	900 hrs.	Units sold	16,000 units
Machine hour rate	Rs 5/ph	Selling price	Rs. 4 per unit
Carriage inwards	Rs. 1,000		

You are required to prepare cost sheet and a statement showing profits for the period.

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Q 2 (a) The following transactions relate to the purchase and issue of a material

Jan 2	Purchased 4,000 units @ Rs. 4 per unit	Feb 5	Issued 2,000 units
Jan 20	Purchased 500 units @ Rs. 5 unit	Feb 12	Issued 4,000 units
Feb 10	Purchased 6,000 units @ 6 per unit	Mar 15	Issued 4,500 units
Mar 5	purchased 2,000 units @ Rs. 5.50 unit		

Prepare the Store Ledger using LIFO method

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(b) Discuss idle time and its treatment in cost sheet.

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Q 3. (a)

23. Compute the machine hour rate from the following data :

Cost of machine	1,00,000
Installation charges	10,000
Estimated scrap value after the expiry of its life (15 years)	5,000
Rent and rates for the shop per month	200
General lighting for the shop per month	300
Insurance premium for the machine per annum	960
Repairs and maintenance expenses per annum	1,000
Power consumption—10 units per hour	
Rate of power per 100 units	20
Estimated working hours per annum—2,200	
This includes setting up time of 200 hrs.	
Shop supervisor's salary per month	600
The machine occupies 1/4 of the total area of the shop. The supervisor is expected to devote 1/5 of his time for supervising the machine.	

(b) Differentiate between Bin Card and Store Ledger.

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Key

Cost Accounting
B. Com (H) Sem IV (Sec A and B)
(CE Test 1)

Time: 30 Minutes

Max Marks: 10

Note: Attempt any one questions

- Q 1 (a) Calculate Re-order level, Re-order quantity (EOQ), Maximum Stock level, and Minimum Stock level from the following information: Re-order period- maximum 8 months, minimum 4 months; Consumption- maximum 600 units per month, minimum 400 units per month, normal 300 units per month, Annual requirement 3600 units. Storage costs are 50% of stock value, ordering cost is Rs. 400 per order and price per unit of material is Rs. 64 (6)
- (b) Explain ABC Technique of Material Handling. 4
- Q 2. Define cost accounting. How is it helpful in business decision making? 3+7

